

Exhibit 4

ASSET
MANAGEMENT

Investment Philosophy

The Fund seeks to generate total annual returns through 'cash and carry' transactions and capital markets arbitrage. The Fund generally invests in high quality floating rate structured finance securities. Typically, 90% of the Fund's gross assets are invested in AAA or AA structured finance assets. In order to mitigate mark-to-market and credit risk, the Fund tactically buys credit insurance, generally through credit default swaps ("CDS") on corporate indices and/or individual names. Interest rate duration is targeted to be zero, with net leverage of approximately 10x.

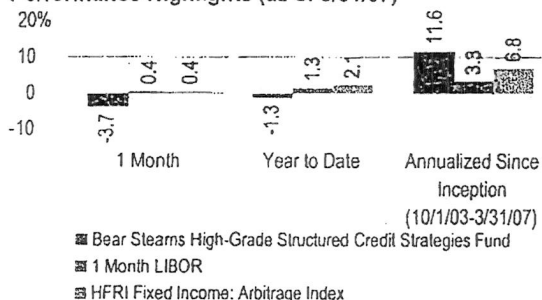
March 2007 Commentary

For the month ended March 31, 2007 Bear Stearns High Grade Structured Credit Strategies returned an estimated -3.71% (Investors in the 1% fee class will have earned an estimated -3.65%). The Funds' return comprised -1.30% from realized loss, +0.47% from carry, and -2.88% in unrealized loss. March was a difficult month for the Fund, as we experienced our first negative return since we started the Fund in October of 2003. Performance suffered in March for two reasons: first, continued weakness in CDOs with exposure to sub-prime collateral caused additional mark downs in our long asset exposure; second, our short positions rose in price as many investors who were short the sub-prime credit default index covered their positions. Our investment strategy has always been a long biased one. We have attempted to add quality positions to the portfolio, monitor the credit performance of these positions over time, and have looked to sell positions at the first sign of credit deterioration. The widening in spreads we experienced in February and March was the result of fear of an unprecedented increase in the cumulative losses these portfolios will suffer over time, not of an actual deterioration in credit on the underlying bonds in our portfolio. This loss in structured credit confidence is what has generated the spread widening. The price action on the short side of our portfolio was driven by technicals rather than credit fundamentals as many macro short sellers covered positions in March to lock in profits. Thus, while the actual credit environment continued to deteriorate, the credit derivative indices rose with the short covering. Our short positions are based upon credit fundamentals. Our losses in March are frustrating. The widening we've seen in these asset classes will not tighten again nearly as quickly as they have widened but this market dislocation has created many opportunities. We have acted quickly to hedge or sell assets where we see that the potential credit losses are unacceptable. Our credit models and surveillance system have highlighted many bonds whose credit losses seem far lower than current spreads justify. Similarly there are other bonds where the losses are substantially higher than the current prices justify. We are using the credit derivatives market to construct relative value trades in these securities. As always, we welcome your questions and comments.

Bear Stearns High-Grade Structured Credit Strategies Fund

Preliminary Performance Profile March 31, 2007

Performance Highlights (as of 3/31/07)

Statistics¹

	BSHGSCS L.P.	BSHGSCS Ltd.	1 Month LIBOR ²	HFRI Fixed Income: Arbitrage Index ²
Cumulative Since Inception %	46.83	46.86	11.85	25.94
Annualized Since Inception %	11.60	11.61	3.25	6.81
Average Monthly Return %	0.92	0.92	0.27	0.55
Annualized Standard Deviation %	1.04	1.04	0.46	0.96
Positive Months	41	41	42	40
Negative Months	1	1	—	2
% of Positive Months	97.62	97.62	100.00	95.24
Sharpe Ratio	2.77	2.77	—	3.83
Fund Assets (\$mil) ²	925	925	—	—
NAV	—	1,468.62	—	—

Monthly (Net) Returns⁴ (%) – Onshore Feeder Fund

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	BSHGSCS L.P.	1 Month LIBOR	HFRI Fixed Income: Arbitrage Index
2003	—	—	—	—	—	—	—	—	—	1.60	1.62	1.47	4.76	0.28	2.71
2004	1.78	1.68	1.64	1.53	1.63	1.46	0.91	1.23	0.77	1.50	0.83	0.73	16.88	1.44	5.99
2005	1.17	1.45	0.73	0.65	0.36	0.85	0.75	0.50	0.42	1.19	0.31	0.70	9.46	3.31	5.60
2006	0.89	0.71	0.48	0.62	0.74	0.41	0.86	0.69	1.02	1.18	1.38	1.48	10.96	5.06	7.33
2007	1.21	1.32	-3.71	—	—	—	—	—	—	—	—	—	-1.27	1.31	2.09

Monthly (Net) Returns⁴ (%) – Offshore Feeder Fund

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	BSHGSCS Ltd.	1 Month LIBOR	HFRI Fixed Income: Arbitrage Index
2003	—	—	—	—	—	—	—	—	—	1.60	1.62	1.48	4.76	0.28	2.71
2004	1.78	1.68	1.64	1.53	1.63	1.46	0.91	1.23	0.78	1.50	0.84	0.73	16.88	1.44	5.99
2005	1.17	1.45	0.73	0.65	0.36	0.85	0.75	0.50	0.42	1.19	0.31	0.70	9.47	3.31	5.60
2006	0.89	0.71	0.48	0.62	0.74	0.40	0.86	0.68	1.02	1.18	1.38	1.48	10.97	5.06	7.33
2007	1.21	1.32	-3.71	—	—	—	—	—	—	—	—	—	-1.27	1.31	2.09

¹ Source: PerTrac.² Includes both the US and Offshore feeders.

³ Indexes are provided for comparative purposes only. LIBOR refers to the London Inter Bank Offered Rate. The HFRI Monthly Indices (HFRI) are equally weighted performance indexes utilized by numerous hedge fund managers as benchmarks for their own hedge funds. The HFRI Fixed Income Arbitrage Index tracks managers who employ market neutral hedging strategies which seek to profit by exploiting pricing inefficiencies between fixed income securities while neutralizing interest rate risk exposure. Because the index is calculated based on information that is voluntarily provided and not otherwise subject to public disclosure, actual returns of the hedge fund universe may be higher or lower than those reported. The index is unmanaged and does not reflect transaction costs or management fees and other expenses, and may have volatility, investment and other characteristics that differ from the Fund. Unlike the index, the Fund is actively managed and may include substantially fewer securities than the number of securities comprising the index. Please be aware that the returns for the HFRI Fixed Income Arbitrage Index are estimates and are subject to change.

⁴ Preliminary returns are net of advisory fees, expenses and performance fees and reflect reinvestment of interest income and other earnings. Preliminary returns are subject to change by the Fund's Administrator. If applicable, returns shown are for the Fund shares that are allowed to participate in "new issues." The Fund is actively managed and therefore its holdings will change over time. Returns are for an investor who has been in since September 1, 2004 (when management fees increased to 2%). Returns for other investors may differ. Past performance is no guarantee of future results.

Please note that additional information about the Fund, including intra-month or end of month performance estimates, portfolio holdings, return attributions, fund flows, and risk reports may be available. Please contact your Bear Stearns Asset Management salesperson or Hedge Fund Product Management for more information: Heather Malloy at (212) 272-3226 hmalloy@bear.com and Ken Mak at (212) 272-8375 kmak@bear.com

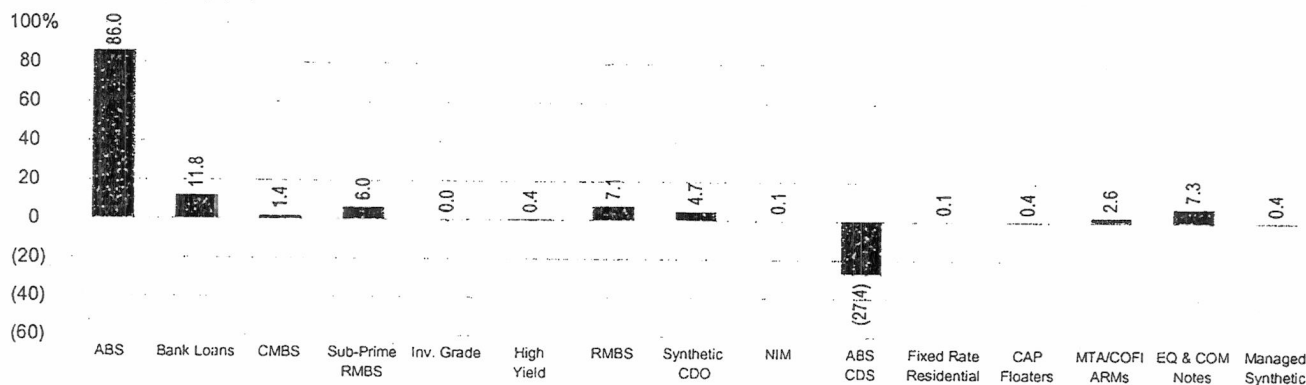
March 31, 2007

Bear Stearns High-Grade Structured Credit Strategies Fund

Portfolio Characteristics	(\$in millions)
Total Investor Capital (\$mil)	925
Gross Long Position (\$mil)	9,682
Adjusted Credit Default Swaps (\$mil) ¹	4,051
Net Leverage ²	5.79
Portfolio Cash Flow Average Life	3.40

Ratings Distribution	%
AAA	78
AA	16
A	-2
Below A	8

Collateral Summary (%)



This communication is intended solely for investors and prospective investors who have been pre-qualified by their Bear Stearns account executive and should therefore not be reproduced or redistributed. The information contained herein does not constitute an offer to sell or a solicitation to buy private investment fund interests. These interests will be offered and sold only to "eligible investors," defined as institutional investors, individuals and other entities that satisfy certain minimum income and net-worth, and/or other requirements. The information in this communication is qualified in its entirety by reference to the more detailed discussion contained in the Fund's Confidential Private Placement Memorandum, which should be read carefully before investing. The information contained herein is as of the date referenced and BSAM does not undertake an obligation to update such information.

Any investment in a private investment fund involves significant risks not associated with more conventional investment alternatives. Any person subscribing for an investment must be able to bear the risks associated with the Fund and must meet the Fund's suitability requirements. The Fund is speculative and involves a substantial degree of risk. Some or all alternative investment programs may not be suitable for certain investors. No assurance can be given that the Fund's investment objectives will be achieved. The Fund's risks include, but are not limited to, the following: The Fund anticipates employing a significant amount of leverage and engaging in other speculative investment practices that may increase the risk of investment loss; past results of the Fund and the investment manager are not necessarily indicative of future performance of the Fund, and the Fund's performance may be volatile; an investor could lose all or a substantial amount of his or her investment; the investment manager has total trading authority over the Fund and the Fund is dependent upon the services of the investment manager; the use of a single advisor, which could mean lack of diversification and, consequently, higher risk; the Fund is subject to conflicts of interest; the Fund is highly illiquid; there is no secondary market for the investors' interest in the Fund and none is expected to develop; there are restrictions on transferring interests in the Fund; the Fund's fees and expenses may offset the Fund's trading profits; the Fund is not subject to the same regulatory oversight as mutual funds; the Fund is not required to provide periodic pricing or valuation information to investors with respect to its individual investments; the instruments in which the Fund invests may involve complex structures and there may be delays in distributing important tax information; a limited portion of the trades executed for the Fund may take place on foreign markets; BSAM and its affiliates may have positions, effect transactions or make markets in securities or options on such securities referenced herein. Bear, Stearns & Co., Inc. may have underwritten securities for, or otherwise have an investment banking relationship with, issuers referenced herein. Please review the "Risk Factors," "Conflicts of Interest," fee and expense information in the Fund's Confidential Private Placement Memorandum.

- 1 The notional amount of CDS has been adjusted for their longer duration, 4.36 years vs. 3.40 years for the HGCS assets. The CDS Notional has been multiplied by 4.36/3.40 or 1.28.
- 2 Net Leverage is defined as Gross Long Position minus Credit Default Swaps divided by Investor Capital. Capital allocated to Klio Funding (approximately \$40 mm) is not included in leverage calculation.

Please note that additional information about the Fund, including intra-month or end of month performance estimates, portfolio holdings, return attributions, fund flows, and risk reports may be available. Please contact your Bear Stearns Asset Management salesperson or Hedge Fund Product Management for more information: Heather Malloy at (212) 272-3226, hmalloy@bear.com, and Ken Mak at (212) 272-8375, kmak@bear.com.

1459951